(32)

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1943

No. 341

AMOS S. MARCHUS,
Petitioner,

vs.

OTTO C. DRUGE and DAN O. DRUGE, co-partners under the firm name and style of Druge Brothers Manufacturing Company,
Respondents.

PETITION FOR WRIT OF CERTIORARI
to the United States Circuit Court of Appeals
for the Ninth Circuit
and
BRIEF IN SUPPORT THEREOF.

CHAS. E. TOWNSEND,
Crocker Building, San Francisco, California,
Counsel for Petitioner.

PERNAU-WALSH PRINTING CO., SAN FRANCISCO, CALIFORNIA

Subject Index

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To the Honorable Harlan F. Stone, Chief Justice of the United States, and to the Associate Justices of the Supreme Court of the United States:

Your petitioner, Amos S. Marchus, being a citizen of the United States and a resident of the City of Oakland, County of Alameda, State of California,

respectfully prays for a writ of certiorari to the United States Circuit Court of Appeals for the Ninth Circuit to review a judgment entered by the Court on June 11, 1943 (IV R. 869) affirming an order of dismissal of the complaint and judgment of the United States District Court for the Northern District of California, Southern Division.

In conformity with Rule 38 of this Court a certified copy of the record, including the proceedings in the Ninth Circuit Court of Appeals, accompanies this petition.

SUMMARY STATEMENT OF MATTER INVOLVED.

Originally and on December 28, 1938, petitioner and his then exclusive licensee, Ames Supply Co., an Illinois corporation, brought a suit (Court Action No. 540) for infringement of three several Letters Patent* in the Northern District of Illinois (R. 23).

Subsequently and on June 7, 1939, and while that case was pending and before it could be tried, appellees brought an action for declaratory judgment in the District Court for the Northern District of California, Southern Division, asking, among other things, that the said patents sued on in the Chicago suit be

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*These patents were:
Patent No. 1,845,922 of February 16, 1932, for "Air Hose Connection" for a tire gauge;
Patent No. 1,892,435 of December 27, 1932, for "Combined Tire Gauge and Filling Valve"; and
Patent No. 2,012,430 of August 27, 1935, for "Tire Gauge";
all issued to Amos S. Marchus, petitioner.

declared void or non-infringed. On motion of appellees the Chicago suit was stayed. Thereupon appellant and his co-defendant, Ames Supply Company, counterclaimed in the California action on the three above mentioned patents and the suit was eventually tried as a patent infringement suit. The trial Court simply entered a minute order (R. 68) for judgment for the plaintiff.

Findings of fact and conclusions of law and final judgment (R. 69-77) found none of the patents infringed and two of the three patents invalid.

Concerning patent No. 1,892,435, the only one we are interested in here, the trial Court said nothing to disturb its validity.

The Ames Supply Company then cancelled its license and left Mr. Marchus to appeal on his own account.

The Circuit Court of Appeals for the Ninth Circuit affirmed the lower Court, ... Fed. (2d) ....., 58 U.S. P.Q. 42, on the invalidity of the two patents previously held invalid by the lower Court but went beyond the lower Court and outside any issue raised on appeal and said that this third patent was infringed, if valid, and then proceeded to hold it invalid; pointing out that there was a conflict of decision between the several Courts as to whether an Appellate Court could or should go into the question of validity where invalidity was not an issue on appeal.

The Court's ruling regarding Patent No. 1,892,435 on this point (and this is the sole point on this petition) reads as follows (IV R. 859-60):

"In connection with this patent the court below held merely that the Druge devices do not infringe claim 1 and made no statement as to the validity of the patent. Validity was not, of course, challenged in appellant's statement of points on appeal. Both parties seem to concede in their briefs that the matter was not raised on appeal; yet both devote some discussion to the validity of the patent. However, the evidence before the trial court is included in the transcript of the record on appeal.

"Since we believe that the Druge devices did infringe Marcus Patent No. 1,892,435, (if it was valid), **we are squarely presented with the question of our right to consider the validity of the patent in a situation where the trial court was silent on the subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue.*** There is some conflict in the authorities on the question. When a lower court declares only that a patent has not been infringed, it has been held that an appellate court cannot adjudicate the validity of the patent, Hazeltine Corp. v. Crosley Corp. (CCA 6), 130 Fed. (2d) 344; Shakespeare Co. v. Perrine Mfg. Co. (CCA 8), 91 Fed. (2d) 199. However, it has also been declared in connection with similar problems that an appellate court is not restricted to the questions decided below but may consider all material matters in issue, Kool Kooshion Mfg. Co. v. Mitchell Mfg. Co. (CCA 8), 102 Fed. (2d) 37; Mills Novelty Co. v. Monarch Tool & Mfg. Co. (CCA 6), 49 Fed. (2d) 28; Herman Body Co. v. St. Louis Body & Equipment Co. (CCA 8), 46

*All emphasis supplied unless otherwise stated.

Fed. (2d) 879. Our own court by dictum has indicated its approval of the latter view in Oliver-Sherwood Co. v. Patterson-Ballagh Corp. (CCA 9), 95 Fed. (2d) 70, although in that case the trial court had held the patents valid but not infringed.

"We believe the better view gives the appellate court the right to investigate the question of invalidity, providing all the evidence is before it and where, as is true in this case, there is no conflict in the evidence upon the issue.* We proceed to inquire into the validity of Patent No. 1,892,435."

A petition for rehearing was presented and denied, in which petition the Court's attention was called to the ruling of this Court in the case of *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126, 52 USPQ 275 (decided February 2, 1942), which appeared to be contrary to the rule followed by the Ninth Circuit Court of Appeals.

THE BASIS OF THIS APPLICATION FOR WRIT.

The portion of the Appellate Court's decision last above quoted and emphasized presents squarely the sole question on this petition (to use the words of the Court itself), to-wit: The question of the Appellate Court's "right to consider the validity of the patent in a situation where the trial Court was silent on the

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*The statement of the Court is not understood. Certainly the experts did not agree in their interpretation of the prior art with respect to this Marchus patent except that Freeman and Donaldson "were the closest references" (R. 390). The marked dissimilarities between the practical device of the Marchus patent and the more complex and impractical structures of the prior art do not argue for anticipation.

subject, and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue."

ASSIGNMENTS OF ERRORS.

The errors which petitioner will urge if this writ of certiorari is granted are that the Circuit Court of Appeals for the Ninth Circuit erred:

(1) In holding that the Appellate Court has the right to investigate the question of invalidity in a situation where the trial Court was silent on the subject and where the appellant assigned no error and the appellees brought no cross-appeal raising the issue.

(2) In deciding an important question of patent law contrary to the weight of authority on the subject.

(3) In deciding an important question of patent law contrary to the holding of this Court in the case of *Exhibit Supply Co. v. Ace Patents Corporation,* 315 U.S. 126.

(4) The Court erred in not giving judgment to appellant after having found infringement of Letters Patent No. 1,892,435 and with the validity of the patent not in issue on the appeal.

All of said questions were duly raised before the Court of Appeals for the Ninth Circuit and your petitioner avers that the present case is one in which it is proper for the Court to issue the writ and for the following reasons:

(1) Because of the admitted conflict in the authorities on the question;

(2) Because of the misapprehension on the part of the Court of Appeals for the Ninth Circuit on the meaning and effect of the decision of the Supreme Court in *Exhibit Supply Co. v. Ace Patent Corporation,* 315 U.S. 126;

(3) Because the various Federal Appellate Courts are in conflict as to what weight shall be given to a patent where the issue of validity of the patent is not presented by either party on appeal and where infringement is found to exist by the Appellate Court;

(4) Because the question presented is of grave importance to the public and to the holders of thousands of valuable patents.

Wherefore your petitioner prays that this Honorable Court will be pleased to grant a writ of certiorari to the United States Circuit Court of Appeals to bring up this case or so much thereof as may appear necessary and proper to this Honorable Court for such proceedings therein as to this Honorable Court may seem just.

Dated, San Francisco, California,
September 3, 1943.

AMOS S. MARCHUS,
Petitioner,
BY CHAS. E. TOWNSEND,
Counsel for Petitioner.